

COUNCIL ON HOUSING
Public Session
Buena Vista Conference Center
New Castle, Delaware
July 9, 2008

On July 9, 2008, Roseann Harkins, Chair, called to order the Public Session of the Council on Housing at 2:10 p.m. In addition to Ms. Harkins, the following Council members were present:

Hugh Leahy
Connie Louder
Ruth Sokolowski

John Walker
Norma Zumsteg

The following Council members were absent and excused from the meeting:

Russ Huxtable
Connie McCarthy

Bill Pearson
Vincent White

The following persons also attended the meeting:

Lynda Blythe, Administrative Specialist III, Delaware State Housing Authority (DSHA)
Matt Heckles, Executive Assistant, DSHA
Saundra Johnson, Director, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA
Vicky Powers, Management Analyst II, DSHA

Guests present:

Christine Earl, Connections CSP, Inc.
Cathy Gregory
Felicia Kellum, West End Neighborhood House
David Mosley, Gateway House

APPROVAL OF MINUTES

Mr. Leahy made motion to approve the June 11, 2008 Minutes as presented. Mr. Walker seconded the motion and the minutes were approved unanimously.

DIRECTOR'S REPORT

Ms. Johnson recapped the 2nd Session of Delaware's 144th General Assembly as it pertained to DSHA, noting a copy of all housing related Bills will be forwarded to the Council members.

Budget

- DSHA's state appropriations for Fiscal Year 2009 total \$9,595,000, a reduction from \$12,070,000 million in Fiscal Year 2008.
- Primary reduction was \$2.5 million from the HDF Preservation program.

DSHA Specific Legislation

- Protection for Victims of Domestic Violence (SB 110) - protects victims of domestic violence from eviction.
- DICH Legislation (SB 310) - will make the Delaware Interagency Council on Homelessness permanent in state law. A signing ceremony for SB310 will be held and Mr. Heckles will advise Council of the date, time and place.
- HDF Transfer Tax Exemption (SB 143) - exempting HDF financed developments will be re-introduced at the next General Assembly.
- A bill to increase the Recorder of Deed fee was discussed but never introduced due to the state's current financial position. This also could be introduced at the next General Assembly.

Foreclosure/Mortgage Legislative Activity

- Foreclosure Consultants (SB 252) - creates new regulations for foreclosure consultants to reduce the number of homeowners fraudulently 'helped' by foreclosure consultants.
- Reverse Mortgages and Housing Counseling (HB 475) - ensures counseling to all persons taking out reverse mortgages from certain mortgage brokers and lenders.
- Mortgage Broker Fee Increase for DEMAP (HB 507) - increases the existing annual license fee for a mortgage loan broker from \$250 to \$500 and allocates the additional \$250 to the assistance of DEMAP. Potential annual increase to DEMAP is \$70,000.
- Licensing and Regulation of Mortgage Loan Originators (HB 508) - provides for the licensing and regulation of approximately 2,000-3,000 mortgage loan originators. Funds from the annual \$250 licensing fee will be dedicated to DEMAP. This bill does not take effect and will not generate DEMAP funds for another six months.
- Mortgage Interest Rate Reset Notice (SB 330) - requires a six month written notice of a change of interest rate on a homeowner's principal mortgage. This bill did not move forward.

- Mortgage Delinquency Notice (SB 232) - requires mortgage lenders to provide the homeowner with a delinquent mortgage written notice including important information on reinstating the loan. This bill did not move forward.

Ms. Sokolowski asked if support staff would be provided to assist Council in preparing the annual report now required. Mr. Heckles responded that staff cost will be borne by DSHA and that a draft is currently being prepared to be presented to the Council Communications Committee later this summer. Anticipated release date of the report is the end of September.

Regarding the HDF transfer tax exemption, Mr. Leahy asked if developers not receiving HDF funding, but building affordable housing, could also be included in the exemption. Mr. Heckles stated it could be considered; however, the many definitions of affordable housing by those not using HDF funds would probably preclude any changes. Mr. Jones stated the transfer tax for first-time homebuyers is waived or reduced by various jurisdictions.

STEP-UP Program

A PowerPoint presentation of the STEP-UP Program (copy attached) was given by Ms. Gregory and Ms. Powers highlighting the following:

- Purpose - to provide new housing for young adults exiting the foster care system who are at risk of homelessness, and individuals with mental health and/or substance abuse conditions.
- Long Term Objective - to develop supportive housing over the next 10 years and the process to achieve the goal.
- Process - issued a RFP and awarded \$1 million collectively to three non-profit organizations that will administer the rental subsidy.
- Conditions of funding - guidelines established for grantees.
- Monitoring - requires detailed reports be given by the grantees as well as monitoring by DSHA.
- Current status - 35 units established as of May 31, 2008 for 41 participants (including 12 children).
- Future - create a stream of income for long-term Step-Up funding and possibly work with other jurisdictions using HOME funds.

Ms. Earl, Ms. Kellum and Mr. Mosley briefly spoke about their respective programs and were very appreciative to have the Step-Up funding.

Ms. Zumsteg asked how long people would be in the program. Ms. Gregory stated the time span is unknown but the limit is expected to be three years. Mr. Sokolowski inquired if the participants have to make any type of contribution. Ms. Gregory responded that a percentage is required of each participant. Mr. Leahy inquired as to the funding goal. Ms. Gregory answered the \$1 million already received is for three years and, in each successive year, another \$1 million will be requested until, hopefully, the program becomes a budget line-item state program. The next \$1 million/3 year request to the state will be made to the Council shortly. Mr. Leahy

requested that Council receive periodic reports on the Step-Up program. Ms. Sokolowski asked when the savings to the state by this program would be known since homelessness impacts so many agencies' funding. Ms. Johnson stated the savings calculations are being worked on and will be reported to the Council at a later date.

ELECTION OF OFFICERS

Ms. Louder stated the slate of nominees were Mr. Walker as Chair, and Ms. Zumsteg as Vice-Chair. Mr. Leahy made motion, seconded by Ms. Sokolowski, that the nominations be closed. The motion was unanimously passed and Mr. Walker and Ms. Zumsteg elected for the 2008-2009 year. Ms. Harkins ceded the Chair to Mr. Walker.

Mr. Walker, in his newly elected position, appointed Mr. Leahy, and re-appointed Ms. Zumsteg to join him on the Loan Review Committee. Other committees will be determined at a later date.

Ms. Louder requested the Council provide more names for potential members to the Governor. New members can be at-large, either Democrat or Republican and one should preferably be from Kent County.

SCHEDULING OF NEXT MEETING

The August Council meeting is canceled. The next meeting will be held September 10, 2008 at Liberty Court, Dover, DE.

ADJOURNMENT

A motion was made by Ms. Zumsteg to adjourn. The motion was seconded by Ms. Louder and unanimously approved. The meeting adjourned at 3:30 p.m.

Respectfully submitted,

Lynda T. Blythe